

Message Text

UNCLASSIFIED

PAGE 01 JAKART 15560 011143Z

11

ACTION EB-07

INFO OCT-01 EUR-12 EA-09 NEA-10 IO-13 ISO-00 AGRE-00

CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 SP-02 STR-04

TRSE-00 CIEP-02 FRB-01 OMB-01 L-03 /076 W

----- 063445

P R 011000Z DEC 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 8025

INFO AMEMBASSY BANGKOK

AMEMBASSY BONN

AMEMBASSY COLOMBO

AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY PORT MORESBY

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

USMISSION GENEVA

EC BRUSSELS 0276

OECD PARIS UNN

UNCLAS JAKARTA 15560

E.O. 11652: N/A

TAGS: PORG, EPAP, ETRD

SUBJECT: SIGNING OF INTERNATIONAL NATURAL RUBBER AGREEMENT ON
PRICE STABILIZATION

1. SUMMARY: AGREEMENT SIGNED IS SEEN BY SIGNATORIES AS
BIG STEP FORWARD FOR ALL COMMODITY PRODUCERS AND AS PROVIDING
IMPETUS FOR UNCTAD INTEGRATED PROGRAM. IN TURN UNCTAD
COMMON FUND IS SEEN AS SOURCE OF FUNDING FOR ANRPC SCHEME.
DESPITE CLOSE IDENTIFICATION OF AGREEMENT WITH UNCTAD
EFFORTS TO IMPROVD EARNINGS OF COMMODITY PRODUCERS, ANRPC
SIGNATORIES WERE CAREFUL TO POINT TO NEED FOR CONSUMER
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JAKART 15560 011143Z

COOPERATION IF SCHEME IS TO SUCCEED. END SUMMARY.

2. MINISTERIAL REPRESENTATIVES OF MALAYSIA, SINGAPORE, THAILAND, SRI LANKA AND HOST INDONESIA SIGNED SUBJECT AGREEMENT NOVEMBER 30 AT CONCLUSION OF FIFTH ASSEMBLY OF THE ASSOCIATION OF NATURAL RUBBER PRODUCING COUNTRIES (ANRPC). REPRESENTATIVES OF ANRPC MEMBERS PAPUA NEW GUINEA AND INDIA TOOK PART IN NOV. 25-27 OFFICIAL LEVEL MEETING AS WELL AS NOV. 29-30 MINISTERIAL GATHERING BUT DID NOT SIGN AGREEMENT. ERSTWHILE ANRPC MEMBER VIETNAM WAS REPRESENTED BY THREE OBSERVERS FROM DRV EMBASSY HERE. OTHER PRODUCING COUNTRIES REPRESENTED BY OBSERVERS WERE NIGERIA, BRAZIL AND BURMA.

3. THE MECHANICS TO BE EMPLOYED BY THE ANRPC TO ACHIEVE PRICE STABILIZATION INCLUDE A BUFFER STOCK ARRANGEMENT AND A SUPPLY RATIONALIZATION SCHEME, BUT DETAILS OF THE PRECISE WORKINGS ARE AS YET UNAVAILABLE. IN A POST-ASSEMBLY PRESS CONFERENCE ANRPC SEC GEN MULIONO (MALAYSIA) SAID THE AGREEMENT "TOUCHED ON" A BUFFER STOCK OF 100,000 TONS. HE ADDED THAT PRICES WOULD BE MAINTAINED WITHIN "UPPER AND LOWER BANDS" ROUGHLY AT MIDPOINT BETWEEN "FLOOR AND CEILING PRICES" BUT FAILED TO STATE PRICE RANGE ASSOCIATION HAS IN MIND. NOR WAS ANY PUBLIC MENTION MADE OF SOURCE AND QUANTITY OF FUNDS NECESSARY TO IMPLEMENT SCHEME. ACCORDING TO THE FINAL COMMUNIQUE THE SCHEME WILL BE ADMINISTERED BY AN INTERNATIONAL NATURAL RUBBER COUNCIL COMPRISING REPRESENTATIVES OF PARTICIPATING COUNTRIES. MULIONO, WHO WAS REELECTED SEC GEN FOR COMING THREE YEARS, TOLD EMB OFF TEXT OF AGREEMENT WOULD NOT BE AVAILABLE TO NON-PARTICIPANTS UNTIL RATIFIED BY THE SIGNATORIES.

4. TWO THEMES RAN THROUGH THE CONFERENCE. THE FIRST WAS THAT SIGNING OF A PRICE STABILIZATION AGREEMENT REPRESENTED AN HISTORIC MILESTONE FOR COMMODITY PRODUCERS, AND THAT THIS STEP IS LINKED CLOSELY WITH UNCTAD EFFORTS ON BEHALF OF LDC COMMODITY PRODUCERS. THERE WAS CONSIDERABLE EMPHASIS IN SPEECHES ON IMPORTANCE OF RAW MATERIALS TO LDC LONG-TERM DEVELOPMENT AND OF CRUCIAL IMPORTANCE OF STABLE COMMODITY PRICES TO DEVELOPMENT PROCESS. IN HSS ADDRESS OPENING THE

UNCLASSIFIED

PAGE 03 JAKART 15560 011143Z

MINISTERIAL ASSEMBLY, INDONESIAN VICE PRESIDENT HAMENGKUBUWONO POINTED OUT THAT UNCTAD' INTEGRATED PROGRAM AND COMMON FUND ARE A REFLECTION OF THE VITAL ROLE OF COMMODITIES TO LDC EXPORT EARNINGS. MALAYSIAN MINISTER FOR PRIMARY INDUSTRIES DATUK MUSA HITAM SAID THE AGREEMENT WILL PROVE PRODUCERS HAVE THE WILL AND DETERMINATION TO BRING ABOUT EQUITABLE TRADE RELATIONSHIPS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. SEVERAL SPEAKERS NOTED THAT SUCCESS OF THE

PRICE STABILIZATION SCHEME WOULD DEPEND ON THE ADEQUACY OF FUNDS AND POINTED OUT THAT COMMON FUND WOULD BE AVAILABLE FOR THIS PURPOSE. FINAL COMMUNIQUE TERMED AGREEMENT A MEANINGFUL INITIATIVE TOWARDS WIDER OBJECTIVE OF UNCTAD INTEGRATED PROGRAM AND STRESSED THE IMPORTANCE OF THE COMMON FUND AS A SOURCE OF FINANCE FOR PRICE STABILIZATION SCHEMES. IN A STATEMENT TO THE OFFICIAL LEVEL MEETING, UNCTAD OBSERVER NASSAU ADAMS SAID UNCTAD VIEWED THE ANRPC AGREEMENT AS AN IMPORTANT STEP TOWARDS THE ACHIEVEMENT OF THE WIDER GOAL OF AN INTEGRATED PROGRAM ON COMMODITIES. HE EXPRESSED HOPE THAT NATURAL RUBBER PRODUCERS WILL HAVE CONCERTED THEIR POSITION PRIOR TO JANUARY UNCTAD RUBBER MEETING AND ADDED THAT UNCTAD HOPED TO CONSULT WITH PRODUCERS PRIOR TO MEETING SO THAT THE SECRETARIAT "CAN BE MOST EFFECTIVE IN TRYING TO INSURE A FAVORABLE OUTCOME TO THE NEGOTIATIONS." SRI LANKA'S MINISTER RATNA-SIRI WICKREMANAYAKE DISCLOSED IN HIS CLOSING ADDRESS THAT ANRPC HAD COMPLETED A PAPER FOR SUBMISSION TO UNCTAD FOR ITS JANUARY MEETING.

5. SECOND THEME WAS THAT OF COOPERATION WITH CONSUMERS. VICE PRESIDENT SAID WORKABLE SYSTEM COULD BE ACHIEVED ONLY THROUGH ACCOMMODATION OF VIEWS OF BOTH PRODUCERS AND CONSUMERS. GOI TRADE MINISTER RADIUS PRAWIRO STATED ANRPC DOES NOT INTEND ANTAGONISTIC ATTITUDE TOWARDS PRODUCERS BUT RATHER SEEKS TO MAXIMIZE COOPERATION BETWEEN THE TWO SIDES. SINGAPOREAN MINISTER OF NATIONAL DEVELOPMENT DR. TAN ENG LIANG STRESSED INTEREST OF CONSUMERS IN ASSURED SUPPLY AT FAIR PRICES AND MUST HITAM ASSURED LISTENERS THAT IT WAS NOT ANRPC INTENTION TO HOLD CONSUMERS AT RANSOM.

6. CONFERENCE SPEECHES AND DOCUMENTS WILL BE OUCHED TO UNCLASSIFIED

UNCLASSIFIED

PAGE 04 JAKART 15560 011143Z

DEPARTMENT. SEPTTEL WILL COVER EMBASSY CONVERSATION WITH IRSG SEC GEN BATEMAN.
NEWSOM

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RUBBER, TREATY SIGNATORIES, PRICE TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JAKART15560
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760444-1057
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761284/aaaacund.tel
Line Count: 157
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 25 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 MAY 2004 by hattaycs>; APPROVED <11 AUG 2004 by wolfsd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SIGNING OF INTERNATIONAL NATURAL RUBBER AGREEMENT ON PRICE STABILIZATION
TAGS: PORG, EPAP, ETRD, ANRPC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006